

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND) CASE NO.
ELECTRIC COMPANY FOR APPROVAL OF AN) 98-426
ALTERNATIVE METHOD OF REGULATION OF)
ITS RATES AND SERVICE)

O R D E R

On August 14, 1998, Louisville Gas and Electric Company ("LG&E") and Kentucky Utilities Company ("KU") filed a letter giving notice that a joint application would be filed on or after September 14, 1998 for the approval of an alternative method of regulation. The letter further requested that a case number be assigned to this proceeding and that an informal conference be held on September 1, 1998.

In response to the letter, this proceeding was assigned the above-referenced case number. The Commission finds that this filing is being made in response to the September 12, 1997 Order in Case No. 97-300,¹ which approved the merger of LG&E and KU subject to the condition that each utility file detailed plans to address future rate regulation. That Order further provided, at page 35, that the filings will be docketed separately and investigated to the full extent necessary. Since this provision of the September 12, 1997 Order has not been modified, it was an error for only one case number to be assigned to the notice filed by LG&E and KU.

¹ Case No. 97-300, Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company For Approval of a Merger.

The Commission further finds that informal conferences should be held after LG&E and KU file their respective applications. This will provide more time for customers to decide whether to intervene and will result in a more meaningful discussion since the conference participants will have had an opportunity to review the applications. Subsequent to the informal conferences, the applicants or any intervenor may request consolidation of the two cases.

IT IS THEREFORE ORDERED that:

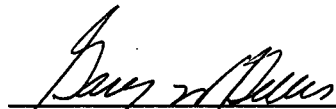
1. LG&E's application for approval of an alternative method of regulation shall be filed and investigated in this case.
2. An informal conference shall be held on Thursday, October 1, 1998, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky to allow LG&E to present a summary of its application and to answer questions from attendees.

Done at Frankfort, Kentucky, this 28th day of August, 1998.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director